

DD/S 72-3930

17 OCT 1972

MEMORANDUM FOR: Deputy General Counsel

John:

We have reviewed your 22 September draft of a proposed new section for CIARDS to permit the Director to revoke annuities for violations of their Secrecy Agreements and suggest that we not pursue this now.

a. It could cause an adverse public, administration, and Congressional reaction jeopardizing other much less controversial changes we are seeking.

b. It would apply to only a fraction of our total retirees amounting to a discrimination against CIARDS people because it wouldn't apply to Civil Service retirees.

c. The Bureau of Retirement and Insurance, which administers the Civil Service Retirement System, tells us that all of the six cases taken to court under the Hiss Act since its enactment have been resolved in favor of the employee-retiree. The Director, BRI, believes the Hiss Act eventually will be declared unconstitutional.

Rather than seek amendment to CIARDS, perhaps we should consider a broader revision of the statutes to make such a provision applicable to all Federal employees in connection with the longer term revision of the Federal Criminal Code mentioned in Mr. Houston's memorandum to the Director.

John W. Coffey  
Deputy Director  
of Support

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Approved For Release 2005/06/29 : CIA-RDP77M00144R001100170012-2

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Proposed New Section 201 (d) for CIARDS

FROM:

Director of Security  
4E-60 Headquarters

EXTENSION

NO.

DATE

STAT

TO: (Officer designation, room number, and building)

DATE

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1.  
Deputy Director for Support  
7D-18 Headquarters

2. Attn:

3.  
Deputy General Counsel  
7D-07 Headquarters

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4 OCT 1972

MEMORANDUM FOR: Deputy General Counsel  
THROUGH : Deputy Director for Support  
SUBJECT : Proposed New Section 201 (d)  
for CIARDS

1. This memorandum is submitted pursuant to your request of 22 September 1972 for our views on whether a proposal to amend CIARDS to provide for forfeiture of annuity if the Director determines a participant or annuitant has violated his Secrecy Agreement by discussing classified information should be pushed seriously.

2. The proposal, if adopted, would undoubtedly act as a major deterrent to unauthorized disclosures of classified information by those covered under the Agency retirement system. However, since the majority of our employees/retirees are covered under the Civil Service Retirement System, its overall effect would be limited. In addition, it presumably would not cover those who currently are annuitants or who become so before the enactment of the proposal. To cover all employees would require an amendment both to CIARDS and the Civil Service retirement legislation.

3. Further, it is believed that any attempt to obtain legislative action on this proposal would be counter-productive in terms of hostile reaction by those members of the public information media who are anti-CIA. The proposal, as written,

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would permit a Director to cut off retirement payments of any CIARDS annuitant, who has withdrawn from the fund annuity payments in excess of his contributions to the fund (plus interest), for the inadvertent disclosure of classified information or the disclosure of classified information whose adverse effect on the national security is minimal.

4. We, of course, support punative action against anyone whose acts are based wholly or in part on disloyalty to the U.S.

5. For the reasons set forth above, we do not believe the proposal should be seriously pushed.



Edward J. Osborn  
Director of Security

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